

Article 5: Organized Automobile Insurance Fraud Interdiction Program

Title 10, Chapter 5, Subchapter 9, Article 5, Section 2698.73, California Code of Regulations

§ 2698.73 Funding Procedure

- (a) Funding of a grant shall be in the form of a grant award agreement. Each applicant whose application has been approved for grant funding shall submit an enabling resolution by the county Board of Supervisors approving and authorizing execution of a grant award agreement.
- (b) Distribution of grant award funds shall be on a quarterly basis. Funding and dates of distribution shall be contingent upon the adoption of an annual State Budget Act and the collection of assessments. Funds to be distributed for the California Highway Patrol shall be deposited in the motor vehicle account.
- (c) Within 60 days after the end of each funding cycle, a grantee shall provide the Department with an estimate of any unexpended and/or unencumbered funds.
- ~~(d) Any portion of a grant award not expended on or encumbered for a program purpose by the end of a funding cycle shall be offset against the distribution for grant funds for a subsequent funding cycle. If there is no subsequent funding cycle under the grant award, the grantee shall transfer any unexpended funds back to the Insurance Fund within sixty (60) days after the end of a grant award period.~~
- (d) A grantee who has undertaken investigations and prosecutions which will carry-over into a subsequent funding cycle may carry-over into the subsequent funding cycle distributed but unused funds not exceeding twenty-five percent (25%) of the total funding cycle, provided that the grantee files a written plan, at the end of the funding cycle, which specifies and justifies to the Commissioner how those funds will be used. In the event

that, due to extenuating circumstances, distributed funds exceeding twenty-five percent (25%) of the previous total funding cycle are unused, the Commissioner may consider and approve requests for carry-over of the unused funds to the extent that the grantee provides justification.

NOTE: Authority cited: Sections 1874.8, 1874.81, Insurance Code. Reference: Sections 1872.8(b)(1), 1874.8 and 1874.81, Insurance Code.